H. R. 4275

AN ACT

To amend the Internal Revenue Code of 1986 to permanently extend the 10-percent individual income tax rate bracket.

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1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

SECTION 1. EXTENSION OF 10-PERCENT INDIVIDUAL IN-COME TAX RATE BRACKET.

(a) IN GENERAL.—Clause (i) of section 1(i)(1)(B) of the Internal Revenue Code of 1986 (relating to the initial bracket amount) is amended to read as follows:

"(i) $14,000 in the case of subsection (a),".

(b) INFLATION ADJUSTMENT BEGINNING IN 2004.— Section 1(i)(1)(C) of such Code (relating to inflation adjustment) is amended to read as follows:

"(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2003—

"(i) the cost-of-living adjustment used in making adjustments to the initial bracket amount shall be determined under subsection (f)(3) by substituting '2002' for '1992' in subparagraph (B) thereof, and

"(ii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

1   (c) EFFECTIVE DATE.—The amendments made by

2 this section shall apply to taxable years beginning after

3 December 31, 2003.

4 **SEC. 2. REPEAL OF SUNSET.**

5   Title IX of the Economic Growth and Tax Relief Rec-

6 onciliation Act of 2001 shall not apply to—

7   (1) paragraph (1) of section 1(i) of the In-

8   ternal Revenue Code of 1986, and

9   (2) the amendments made by paragraphs

10   (1) and (7) of section 101(c) of such Act.

        Passed the House of Representatives May 13, 2004.

        Attest:

                                                    Clerk.